

Message Text

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AMEMBASSY QUITO

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E.O. 11652: N/A
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SUBJECT: COMMERCIAL PROGRAM, FOREIGN BUYER PROGRAM

REF: (A) STATE 045849 (B) QUITO 2121

1. THE CONSULATE GENERAL DID NOT RECEIVE REF A, NOR DID EMBASSY COORDINATE THE PREPARATION OF REF B WITH US. NETHER-THE-LESS, THE CONSULATE GENERAL WOULD LIKE TO PROVIDE ITS VIEWS ON THE SUBJECT, SINCE THEY DIFFER SLIGHTLY FROM THOSE PRESENTED BY THE EMBASSY IN REF B. THE THREE PRINCIPLE AREAS IN WHICH OUR PERCEPTIONS DIVERGE FROM THOSE OF THE EMBASSY ARE: 1. EFFORT REQUIRED TO PROMOTE AND SUPPORT A FOREIGN BUYERS GROUP, (FB),

2. EFFORT. EFFORTS MADE BY THE CONSULATE GENERAL TO PROMOTE ECUADOREAN ATTENDANCE AT U.S. TRADE SHOWS HAVE NOT ONLY BEEN MADE IN CONJUNCTION WITH OTHER INITIATIVES UNDER THE CCP, BUT ALSO IN RESPONSE TO DEMAND GENERATED BY LOCAL BUSINESS GROUPS. FOR EXAMPLE, IN DECEMBER OF LAST YEAR, SEVERAL ECUADOREAN BUSINESSMEN CAME TO THE COMMERCIAL SECTION AT THE CONSULATE GENERAL INQUIRING IF A GROUP WAS GOING TO BE ORGANIZED TO ATTEND THE INTERNATIONAL EXPO FOR FOOD PROCESSORS (A 1977 STAR SHOW) WHICH WAS TO BE HELD IN NEW ORLEANS IN MARCH. ALTHOUGH IT WAS NOT SCHEDULED AS A CCP INITIATIVE, THE CONSULATE GENERAL DID RESPOND TO THE EXPRESSION OF INTEREST MADE BY THE ECUADOREAN
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BUSINESSMEN, AND DID ASSIST THEM IN ORGANIZING A GROUP. OVERALL, THE CONSULATE GENERAL PROBABLY DEVOTES MORE TIME AND EFFORT TO THE PROMOTION OF THE FOREIGN BUYER PROGRAM THAN DOES THE EMBASSY.

3. DIRECT BENEFITS. THE CONSULATE GENERAL BELIEVES THE FOREIGN BUYERS PROGRAM IS A GOOD VEHICLE FOR THE PROMOTION AND SALES OF U.S.

PRODUCTS. IT APPEARS THAT 50 PERCENT OR BETTER OF PARTICIPANTS ARE ACTUAL BUYERS. SALES ARE NOT ALWAYS MADE "OFF THE FLOOR" NOR ARE ALL PURCHASES MADE FROM EXHIBITING COMPANIES. IN ONCE INSTANCE, A LOCAL BUSINESSMAN WAS UNABLE TO FIND THE EXACT LINE OF ITEMS IN WHICH HE WAS INTERESTED. AT THE SHOW, HOWEVER, AFTER ATTENDING THE SHOW HE WAS CONVINCED THAT HE WOULD BE ABLE TO FIND A SATISFACTORY LINE AMONG U.S. MANUFACTURERS. HE RETURNED TO THE U.S. FIVE OR SIX WEEKS AFTER THE SHOW AND SUCCEEDED IN ARRANGING A REPRESENTATION WITH A MANUFACTURER TO HIS SATISFACTION.

4. INTANGIBLE BENEFITS. THE FOREIGN BUYERS PROGRAM HELPS TO ORIENT THE ECUADOREAN BUSINESSMEN TOWARD THE U.S. MARKET. THROUGH THE FULBRIGHT AND IV PROGRAMS, THE U.S. SPONSORS TRIPS TO THE U.S. FOR POLITICAL AND ECONOMIC FIGURES. THE PURPOSE OF THESE PROGRAMS IS TO INFLUENCE THE THINKING OF INFLUENTIAL PERSONS FROM OTHER COUNTRIES AND TO CAUSE THEM TO VIEW THE U.S. IN A POSITIVE LIGHT. IN A SIMILAR FASHION, THE FBP HELPS TO CREATE AND MAINTAIN A BUSINESS CLIMATE IN WHICH THE U.S. IS VIEWED AS A MAJOR SUPPLIER OF IMPORTED GOODS AND SERVICES WITHIN ECUADOR. THE BENEFITS DERIVED FROM THE FOREIGN BUYER'S PROGRAM EXTEND BEYOND THE AFTER SALES FIGURES, AND AN ANALYSIS OF ITS BENEFITS SHOULD NOT BE LIMITED TO INCREMENTAL SALES ONLY.

5. SHOWS PROMOTED. DURING THE FIRST THREE MONTHS OF 1977, THE COMMERCIAL SECTION OF THE CONSULATE GENERAL HAS ACTIVELY PROMOTED THE BELOW LISTED SHOWS:

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| PARTICIPANTS | SHOW | DATE |
|--------------|---|----------------------|
| 15 | NATIONAL AUDIOVISUAL CONF., ANAHEIM, CA | JAN 13-18 |
| 10 | VEHICLE AND MOTOR MAINTENANCE U.S. TRADE CENTER, MEXICO CITY | JAN 26-28 |
| 12 | INTL EXPO FOR FOOD PROCESSORS NEW ORLEANS, LA | FEB 13-16 |
| 21 | INTL AUTOMOTIVE SERVICES INDS SHOW CHICAGO, ILLINOIS | MARCH 30- APRIL 1 |
| 3 | INTL. TRUCKING SHOW ANAHEIM, CALIFORNIA | MAR 30-APR 1 |

6. THE FBP AND THE CCP. THE CONSULATE GENERAL BELIEVES THE FBP SHOULD RECEIVE MORE EMPHASIS UNDER THE CCP THAN IT IS

CURRENTLY RECEIVING, AND IS WORKING WITH THE EMBASSY TO ACCOMPALISH THAT GOAL. SITTING IN THE POLITICAL CENTER OF ECUADOR, IT IS PERHAPS NATURAL THAT THE EMBASSY WOULD HAVE A DIFFERENT PERSPECTIVE ON THE WORTH OF THE FBP THAN THE CONSULATE GENERAL WHICH IS LOCATED IN GUAYAQUIL, THE COMMERCIAL CENTER OF ECUADOR. GOVERNMENT PURCHASES AND LESS LIKELY TO BE IMPACTED BY THE CURTAILMENT OF THE FBP THAN ARE COMMERCIAL PURCHASES. FOR THIS REASON THE CONSULATE GENERAL PLACES A HIGHER VALUE ON THE CONTINUED EXISTENCE OF THE FOREIGN BUYER PROGRAM.
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